

Message Text

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ORIGIN EA-09

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-07 FRB-03
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O 072236Z DEC 76

FM SECSTATE WASHDC

TO AMEMBASSY JAKARTA IMMEDIATE

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E.O. 11652: N/A

TAGS: ECON, EFIN, ID

SUBJECT: GOI'S BALANCE OF PAYMENTS AND EXTRABUDGETARY
FINANCING

1. BANK INDONESIA'S WEEKLY REPORTS, WHICH DESK NOW
RECEIVES, SHOW IMPORTS ON C. AND F. BASIS (INCLUDING
PETROLEUM PRODUCTS) IN FIRST FIVE MONTHS OF CURRENT GOI
FISCAL YEAR (APRIL-AUGUST 1976) RUNNING AT 4.48 BILLION
DOLS ANNUAL RATE. IN SPEAKING TO PEOPLE'S HOUSE OF
REPRESENTATIVES (DPR) IN EARLY NOVEMBER, HOWEVER, GOI
FINANCE MINISTER WARDHANA STATED THAT INDONESIA'S NON-OIL
IMPORTS DURING FIRST SIX MONTHS OF CURRENT FISCAL YEAR
(APRIL-SEP) WERE VALUED AT 3,322 MILLION DOLS (OR A
STRAIGHT LINE ANNUAL RATE OF 6.6 BILLION DOLS). PROJEC-
TION FROM BI WEEKLY REPORTS (LATEST NOV 18) IS WELL BELOW
NOT ONLY 6.47 BILLION DOLS NON-OIL, C AND F IMPORT
PROJECTION FOR GOI FY 1976/77 IN AUGUST 1976 KUHN LOEB
MEMORANDUM, BASED ON BANK INDONESIA DATA, BUT ALSO 5.2
BILLION DOLS FY 1975/76 IMPORT FIGURE IN SAME MEMORANDUM.

2. CAN EMBASSY RESOLVE THIS SEEMING GROSS INCONSISTENCY
BETWEEN IMPORT DATA COMING FROM SAME SOURCE?

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3. TO PREPARE TRANSITION PAPERS, AID HAS URGENT NEED BY

COB DEC 9 OF EMBASSY'S ESTIMATE OF BOP OUTLOOK FOR
CURRENT GOI FISCAL YEAR AND BEYOND.

4. NOV 18 BI WEEKLY REPORT ALSO SHOWS (TABLE 2) THAT
BANK'S CLAIMS ON PUBLIC ENTERPRISES HAVE RISEN BY 531
MILLION DOLS DURING FIRST SEVEN MONTHS OF THIS CURRENT
GOI FISCAL YEAR, OR AT AN ANNUAL RATE OF SLIGHTLY MORE
THAN 900 MILLION DOLS. THIS COMPARES WITH 1.7 BILLION
INCREASE IN SUCH CLAIMS DURING FY 1975/76, WHICH
OCCASIONED STRONG IMF CRITICISM OF GOI'S EXTRABUDGETARY
FINANCING THROUGH THIS CHANNEL. ARE LOCAL IMF AND IBRD
REPS CONCERNED OEVER CONTINUING LARGE, ALBEIT REDUCED,
LEVEL OF GOI DEFICIT FINANCING? IF SO, HAVE THEY MADE KNOWN
THEIR VIEWS TO GOI, AND WHAT HAS BEEN GOI REACTION?
ROBINSON

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